

**ASSEMBLY BILL**

**No. 935**

**Introduced by Assembly Member Koretz**

February 18, 2005

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An act to amend Section 5318 of the Labor Code, relating to workers' compensation.

LEGISLATIVE COUNSEL'S DIGEST

AB 935, as introduced, Koretz. Workers' Compensation: inpatient burn diagnoses: reimbursement.

Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of his or her employment.

Existing law requires the administrative director to adopt and revise periodically an official medical fee schedule for purposes of reimbursing services rendered by medical providers. Existing law requires that implantable medical devices, hardware, and instrumentation for certain Diagnostic Related Groups (DRGs) be separately reimbursed in accordance with a prescribed formula.

This bill would provide that inpatient burn DRGs 504 to 509, inclusive, would be separately reimbursed and would not be subject to the inpatient hospital fee schedule. These provisions would be operative only until the administrative director adopts a separate reimbursement for serious inpatient burn diagnoses.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. Section 5318 of the Labor Code is amended to  
2     read:
- 3     5318. (a) Implantable medical devices, hardware, and  
4     instrumentation for Diagnostic Related Groups (DRGs) 004, 496,  
5     497, 498, 519, and 520 shall be separately reimbursed at the  
6     provider's documented paid cost, plus an additional 10 percent of  
7     the provider's documented paid cost, not to exceed a maximum  
8     of two hundred fifty dollars (\$250), plus any sales tax and  
9     shipping and handling charges actually paid.
- 10    (b) *Inpatient burn DRGs 504 to 509, inclusive, shall be*  
11    *separately reimbursed and shall not be subject to the inpatient*  
12    *hospital fee schedule.*
- 13    (c) This section shall be operative only until the administrative  
14    director adopts a regulation specifying separate reimbursement, if  
15    any, for implantable medical hardware or instrumentation for  
16    complex spinal surgeries *and serious inpatient burn diagnoses.*